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CITIZENS SUMMARY

Findings in the audit of the Grandview C-4 School District

<p>Bonds</p>	<p>The district needs to improve its handling of bond projects and methods for issuing bonds. The district utilized the federal Qualified Zone Academy (QZA) program to issue some bonds. The federal government assists a school district with the financing costs on these type bonds, resulting in significant savings to the district, but some QZA program requirements are not being met. The district took no action from 2008 to 2013 to ensure it received the contributions committed to by the private business partner. Agreements with the business partner indicated contributions valued at approximately \$57,000 per year will be made related to the 3 QZA issuances since 2008, but none have been made to date. In addition, the district used some QZA bond proceeds in a manner not allowed under the QZA specific restrictions or state law that limits the use of bond proceeds by a school district to purchasing land for a school site, erecting or furnishing a school or library, building additions or repairs to existing buildings, and purchasing school buses or other transportation equipment. The district spent \$117,000 of these funds on various band and athletic uniforms. The district used the same provider to serve as both financial advisor and bond underwriter for all of its bond issuances and sold these bonds using a negotiated sale rather than a competitive bid process. The district did not prepare and make available to the public specific plans and budgets to document how bond issuance proceeds would be used, and it was unable to provide a summary, including budgeted and actual amounts spent, for the proceeds from the \$7 million May 2012 bond issuances.</p>
<p>Bank Reconciliations</p>	<p>The district's bank account did not balance with its general ledger fund for fiscal years 2011 through 2013, and there is an unidentifiable difference of approximately \$35,000 in the general ledger as of July 2013. The district should timely investigate and correct bank reconciliation differences.</p>
<p>Procurement Practices</p>	<p>District personnel do not timely issue purchase orders for all goods and services. For 6 of the 30 items tested, the district issued purchase orders after the goods or services were purchased. The district has used the same law firm as the district counsel since June 2009 without soliciting proposals.</p>
<p>Computer Controls</p>	<p>The district does not require passwords be changed periodically, and its computers do not shut down after a certain period of inactivity or lock after a specified number of incorrect logon attempts. The district does not store data backups at a secure off-site location, which increases the risk a disaster impacting the district systems would also adversely impact the backups.</p>
<p>Sunshine Law</p>	<p>Agendas and/or minutes were not available for some monthly audit and facilities improvement team committee meetings.</p>

Capital Assets

The district lacks adequate property procedures and records for capital assets other than tablet computers. Individual assets are not listed, the list is not updated as assets are purchased, and the district does not perform a physical inventory.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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